



About SPU and the Strategic Business Plan

Seattle Public Utilities provides essential drinking water, drainage and wastewater, and solid waste services to more than 1.5 million people in the greater Seattle area. About 1,400 SPU employees work with our community to provide affordable and equitable stewardship of our water and waste resources for future generations.

The **2021-2026 Strategic Business Plan** builds on our strengths, focuses our work, guides essential service delivery, and maximizes the benefit of every dollar. It reflects and responds to values consistently expressed by customers and community: affordability, sustainability, and equity.

The plan reflects guiding principles that are at the center of our work ethic: understanding and responding to customers and community, ensuring affordability and accountability, addressing risk and resilience, enhancing equity and empowerment, and delivering service and safety.

Focus Areas

SPU has chosen to focus on the following areas and corresponding highlighted investments. These investments are representative examples of how SPU will advance the strategies described in the Strategic Business Plan. Investments result in tangible infrastructure, asset, asset repair, or service and require more significant investment.

Delivering Equitable Essential Services

Essential service delivery represents the day-to-day services our customers and community need to live healthy lives. Our staff work year-round to deliver reliable water, drainage and wastewater, solid waste services, and Clean City services.



Stewarding Environment and Public Health

Community well-being depends on a healthy environment fostered by good stewardship of water and waste resources. We are committed to supporting our community, customers, and employees in building an equitable, sustainable, and just future.



Empowering our Customers, Community, and Employees

Improving access to utility services, partnering with community organizations to increase livability and local opportunity, and cultivating and promoting a more diverse and dynamic workforce.



Strengthening Our Utility's Business Practices

The utility will examine its business practices and assess ways to improve service, be more efficient, and provide value. We will also use the best available science, data, and analysis to inform utility decision making and performance.



The charts above display the performance of the total investments in each of the Strategic Business Plan focus areas and represent the percentage of investments hitting their targets. For Delivering Essential Services the charts represent the total performance for the metrics in each of the three strategies: Strive for Best-in-Class, Provide Reliable and Rewarding Experiences, and Meet or Exceed Expectations, Requirements and Commitments.

Delivering Equitable Essential Services

We are committed to supporting our community, customers, and employees in building an equitable, sustainable, and just future.

Best In Class	5.8% System Leak Reduction Target: ≤10%	-696 Utility Discount Program Target: Meet the Need	.80 lbs Residential Garbage* Annual Target: <1lb/pers/day	100% Clean City Collection Target: ≥95%	.77 Sewer Overflows Target: ≤4 per100 miles		
Reliable and Rewarding Experiences	94% Water & DWW response Target: ≥ 90%	1.27 Missed waste pick-up Target: ≤1 per 1000 stops	95% Customer call response Target: ≥ 80% in 3 mins	93% Customer satisfaction Target: ≥ 90%			
Expectations, Requirements, and Commitments	61% CSO Outfalls Annual Target: ≥ 62%	2.11 lbs Garbage, Recycle, Organics* Target: < 2.5 lbs./person/day	80% Customer Effort Target: ≥ 80%	21% WMBE Purchasing Target: ≥ 17%	22% WMBE consultants Target: ≥ 22%	Met Drinking Water Quality Target: Regulation met	Met NPDES** Target: Requirements met

*Metrics for Residential Garbage and Garbage, Recycle, Organics reporting is annual, and there is a lag in obtaining the data. Current annual metric available is from 2019.

** National Pollution Discharge Elimination System permits requirements for Seattle's Drainage and Wastewater systems

Highlights

Utility Discount Program: The target for Utility Discount Program will continue to be to meet the need for 2021. This goal reflects the understanding that the financial impacts of COVID-19 will continue through this year. The UDP performance metric represents the net enrollment for the quarter – number of accounts enrolled minus the number of accounts removed. In Q1, the net enrollment was -696, with an accumulative total of 42,272 accounts enrolled in UDP at the end of the quarter. The negative net enrollment for the quarter was driven by a correction to remove 2000 accounts from UDP that were found to be enrolled in error.

Clean City Collection: In 2021 the metrics for Clean City has added sharps (needle) collection to illegal dumping and graffiti abatement. Additionally, the goal has increased this year from ≥ 90% to ≥ 95% of reports addressed within the targeted timeframe. In the first quarter, SPU has exceeded the newly increased goal by removing all reported sharps, illegal dumping, and graffiti 100% of the time.

Meeting Target: ■ Monitor: ■

Stewarding Environment and Public Health Investments



Ship Canal Water Quality Project

Status: On Track

Description: Ship Canal Water Quality Project (SCWQP) will improve regional water quality by keeping more than 75 million gallons of polluted stormwater (from rain) and sewage from flowing into the Lake Washington Ship Canal, Salmon Bay, and Lake Union on average each year. The project is under a Federal consent decree and must be operational by the end of 2025.

Annual Target:

- Design of the pump station, and Wallingford and Ballard conveyance projects
- Begin digging 2.7-mile long, 18-ft 10-in diameter storage tunnel using 22-foot diameter Tunnel Boring Machine (TBM)

Update for the Quarter: In the first quarter, Design of pump station and Wallingford and Ballard conveyance projects has progressed at a pace to finish earlier than the 2023 target. The beginning of tunneling is on-schedule with an anticipated start date of mid-June 2021. Overall, the construction project is on-track to be out of Ballard shaft, so the pump station can start in Q1 2023.



Green Stormwater Infrastructure

Status: On Track

Description: SPU will lead programs, policies, and partnerships to expand the use of green infrastructure, decreasing polluted runoff entering Seattle's waterways while providing substantial environmental and community benefits. Implementation focus areas include GSI projects in the Longfellow, Piper's, and Thornton Creek watersheds, as well as urban villages.

Annual Target:

- Leverage DWW Capital project investments to grow knowledge and delivery of expanded community benefits (environment, health, equity, empowerment, customer experience)
- Launch RainCity Partnerships while continuing a right sized RainWise program and increase partnership on private property in many areas of the city
- Manage an average volume of 440 million gallons (MG) of runoff with GSI

Update for the Quarter: In the first quarter, SPU completed GSI Accomplishments [report](#) and established the Citywide target for managing GSI for 2020 was surpassed. As of this quarter runoff management goals increased to managing an annual average volume of 418 MG. This quarter, the RainCity Partnerships program, which will support workforce development goals and allow community to achieve broader place-based vision, is on track. RainCity major deliverables drafted in Q1 include City Council enabling legislation for the program, and the RFI for \$10M services contract. SPU is on track for 2021 construction initiation on two projects in SW Seattle in partnership with SDOT, Longfellow NDS, and the South Park urban village Cloverdale bioretention project.

Empowering our Customers, Community, and Employees Investments



Side Sewer Assistance Pilot and Implementation

Status: On Track

Description: Identify and test program approaches that are of value to customers that help reduce the costs of owning and maintaining side sewers.

Annual Target:

- Apply the Racial Equity Toolkit to the program implementation by Q2
- Develop an implementation plan with strategies and tactics to pilot the program
- Develop program awareness and pilot program
- Acquire a 3rd Party Agreement or Contract (if applicable)

Update for the Quarter: In the first quarter, SPU met its goal to begin applying the Racial Equity Toolkit to the Side Sewer Assistance program implementation. The Racial Equity Toolkit is the basis for developing a strong implementation plan for the pilot program. The program is on track to produce the Racial Equity Toolkit summary, with observations and recommendations by the end of Q2.



SPU Support Services for the Unsheltered

Status: On Track

Description: SPU is increasing support services for the unsheltered through the provision of cost-effective sanitation and disposal service solutions for Seattle's unsheltered populations including trash, sharps, (i.e., used needle collection) and recreational vehicle services.

Annual Target:

- Service 30 different unsanctioned homeless encampments
- Collect 525,000 pounds of litter from homeless encampments
- Collect 23,000 Sharps from homeless encampments
- Perform 144 RV Pocket cleans in hotspot areas around the city

Update for the Quarter: In the first Quarter, SPU met its targeted goal for performing RV Pocket cleans. 37 RV pocket cleans were performed in Q1 and is on track to exceed the annual goal of 144 Pocket Cleans this year. Additionally, 33 unsanctioned homeless encampments were serviced this quarter, with SPU collecting 221,517 lbs of trash and 11,679 sharps. By the end of Q1 SPU is on track to meet their annual targets for servicing unsanctioned homeless encampments and RVs in hotspot areas around the city.

Empowering our Customers, Community, and Employees Investments



DWW Recreational Vehicle (RV) Mobile Pump Out Program

Status: On track

Description: Operate a pilot RV pump out program to address dumping of sewage and other contaminants that can enter the drainage system and travel to local waterways through drainage catch basins.

Annual Target: Service 1560 RV Wastewater Tanks in 2021 (130 per month).

Update for the Quarter: In the first quarter, SPU met its goal. We were able to service 400 wastewater tanks in Q1. In addition, we conducted two RV Dump Events in Ballard. SPU is on track to meet the 2021 goal for servicing RV wastewater tanks.



Workforce Facilities Investments

Status: On Track

Description: Foster a more equitable workplace, work culture, and better work opportunities by investing in our employees; and continue improvements to SPU workforce facilities to improve working conditions for frontline employees at South Operations Complex, North Operations Complex, Cedar Falls Phase 2, and at the Seattle Municipal Tower (SMT).

Annual Targets:

- Update Facilities Master Plan strategy
- Begin planning and design work for North Operations Complex (NOC)
- Begin planning and design work for South Operations Complex (SOC)
- Begin planning and design work for Cedar Falls Phase 2
- Complete planning and design work for SMT reconfiguration

Update for the Quarter: In the first quarter, SPU is on track to meet all of the targeted goals for Workforce Facilities Investments. As part of the update to the **Facilities Master Plan**, the process for hiring a staff lead was completed.

The **North Operations Complex** planning work will not begin until Q2. The **South Operations Complex** planning, and design work met Q1 milestones. The Director's briefing and Stage Gate 2 preparation were completed for the site work at the SOC, and the project initiation for building improvements began. **Cedar Falls Phase 2** completed the conceptual design options.

As part of the planning and design work for **SMT reconfiguration** in Q1, SPU completed a pilot program, in collaboration with FAS and SCL, for space planning in SMT. The pilot assessed options for reconfiguring space in SMT to reduce the number of floors used by each department. Decisions on the reconfiguration plan will be reviewed and approved by the Mayor's office in Q2.

Strengthening Our Utility's Business Practices Investments



Water System Seismic Resilience

Status: On Track

Description: Implement short-term measures, such as improving emergency preparedness and response planning, and adopting isolation and control strategies, that can be used to mitigate the effects of seismic damage until expensive long-term infrastructure improvements can be made.

Annual Target:

- Transmission Pipelines: Develop approach/plan for upgrading transmission pipeline system
- Upgrade Vertical Facilities – Hire consultant and commence seismic assessment/ options development for Riverton and Eastside Reservoir seismic retrofits
- Install Earthquake Resistant Pipe: Define Critical Water Mains and Update Seismic Design Standards for New Watermains
- Improve Emergency Response Planning: Complete Water System Earthquake Hazard-Specific Response Plan

Update for the Quarter: In the first quarter, SPU met all of their targeted goals. The consultant for the Transmission Pipelines delivered the technical memorandum on transmission pipeline fault crossing hazards and assessment of different pipe systems; solicitation for the Riverton Heights and Eastside Reservoir seismic upgrade project consultants was advertised and response received. Additionally, the Water System Hazard-Specific Earthquake Response Plan was completed and submitted to SPU Emergency Management. The Water System Seismic Resilience investment, is currently on track to meet all milestones for 2021.



DWW Asset Management and Opportunity Work

Status: On Track

Description: Increase investment in the rehabilitation of sewer pipe, pump stations, combined sewer overflow outfalls, and force mains; as well as develop a renewal program for the City's drainage system to reduce asset and facility failures.

Annual Target:

- Expand Sewer Rehabilitation work
- Add 1 pipe assessor to the Sewer Rehabilitation Program
- Expand Drainage Rehabilitation work
- Complete drainage program review
- Wastewater Pump Stations, Force Mains (FM), and CSO Outfall Rehabilitation

Update for the Quarter: In the first quarter, SPU crews exceeded the goal for Sewer Rehabilitation work with 70 work orders completed, 7% over the targeted goal of 65 work orders for the quarter. Additionally, 0.1 miles of contracted pipe rehabilitation was completed by the end of the quarter, which met the Q1 goal.

SPU crews completed 80% of the Q1 target for drainage rehabilitation. At the end of Q1, crews had completed 20 of the 25 targeted work orders.

By the end of the Q1, SPU completed the review of the drainage program, and is preparing to present the review to Directors in Q2.



Description: Take advantage of street openings, driven by transportation projects, by initiating water infrastructure projects to improve service; and replace failing infrastructure at reduced costs through shared pavement restoration, mobilization, and traffic control costs. This consists of 3 different investment projects: Water System Overall Asset Management, Hydrant and Valve Maintenance and Water Asset Transportation Opportunity Projects.

Annual Targets:

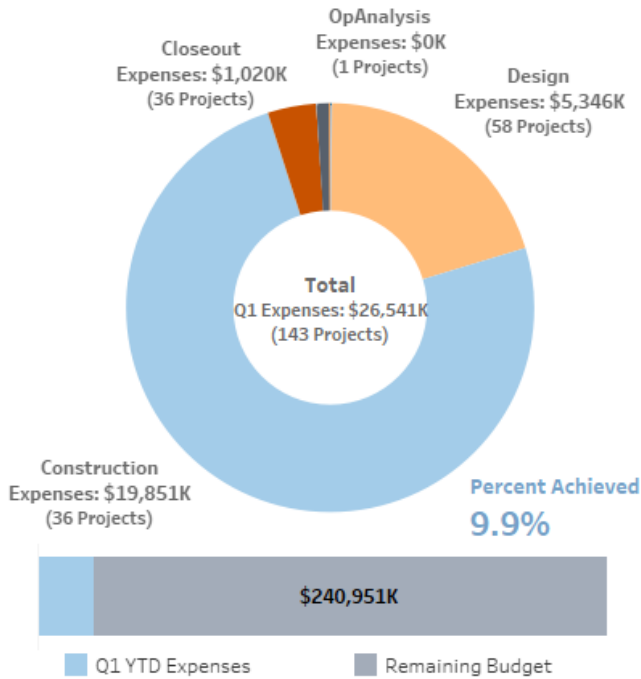
- Water Asset Transportation Opportunity Projects
 - Project assessment to determine opportunity
 - If project is identified, prepare scope and cost estimates for inclusion into SDOT project
- Hydrant and Valve Maintenance
 - Sustain 99.9 percent of hydrants in service
 - 95% of newly reported out of service (OOS) hydrants returned to service on a quarterly basis
 - 1600 low priority (minor) hydrant work orders completed
 - Hire 2 additional staff in Q2
 - 82 critical valve work orders completed in Q3 & Q4
- Water System Overall Asset Management:
 - Complete 1 mile per year of planned water main replacement
 - Complete 650 replacements per year of water service line replacements (renewals)
 - Complete planning and evaluation for rehabilitation for 2 water tanks
 - Complete 2,500 feet per year of new cathodic protection on transmission pipes

Update for the Quarter:

- **Water Transportation Opportunity Projects:** In the first quarter, SPU met its goal to assess Q1 interagency transportation projects for impact or opportunity driven improvements. It was determined that there were no new transportation projects identified for assessment in Q1. Seattle City Light initiated a project at lower Queen Anne but was premature in terms of assessing impact or opportunity driven water system improvements. Depending on schedule, the Queen Anne project may reach sufficient 30% design phase in Q2 to allow an assessment. SPU is on track for Q1.
- **Hydrant and Valve Maintenance:** In the first quarter, SPU successfully maintained the goal of sustaining 99.9% of hydrants in service. In Q1 20 hydrants were reported as out of service (OOS), 80% of which were returned to service. This was slightly off the targeted goal for the quarter, due to 15% of the reports coming in the last few days of the quarter. The first quarter goal for completing minor hydrant work orders was exceeded, with 919 completed. SPU ended the quarter by meeting all of the targeted goals.
- **Water System Overall Management:** In the first quarter, SPU exceeded their targeted goal of 90 reactive water service line renewals with 96 reactive and 17 proactive renewals completed. Additionally they met their quarterly goal to complete the inspection of the Trenton and Magnolia water tanks. By the end of Q1, 60% of the design for the 2021 Cathodic Protection Package was completed, and the watermain replacement risk model data update process is underway with City IT moving the Risk Model to the upgraded IAP platform and a new server. SPU is currently on track to meet their annual targets for this investment.



YTD Q1 2021 PDEB CIP Spending



Upcoming Construction Bids

- C114074 430 Pipeline Improvements – Advertise June 2021
- C117001 CP Improvements 2019 Package – Advertise July 2021
- C117045 Watermain Rehab Package #3 – Advertise May 2021
- C314057 South Park Roadway and Drainage Improvements – Advertised 4/7/2021
- C316056 Longfellow NDS (Natural Drainage Systems) – Advertised 4/8/2021
- C600273 Cloverdale Bioretention – Advertise May 2021
- C312060 Broadview Drainage Improvements – Advertise August 2021
- C317017 Sewer Lining Contract (Small Diameter) – Advertise August 2021

Key Updates

C113007 – Lake Forest Park Reservoir Covering. Construction Contract Executed 1/28/21.

C212041 – STS2 Solid Waste Facilities. E-Team approved site layout. HDR is updating the deliverables for Ecology which will be sent 3Q2021. In parallel process, HDR is working on identifying which items from the previous design can be used moving forward.

C308011 – South Park Pump Station. Currently in construction. Some construction delays due to unanticipated discovery of contaminated soils. Construction will be completed in early 2023.

C315507 – Wallingford Conveyance (SCWQP). Project working towards 100% design milestone in May 2021. Anticipate advertise Q1 2022

C315502 – TEPS (SCWQP). Project working towards 90% design milestone in July 2021.

C117069 – Tolt Debris Boom. Options analysis was completed at the end of last year and the Draft Basis of Design Report was finalized in February of this year. Final design and permitting will go through 2022 with construction slated to start in 2023.

C315503 – Storage Tunnel (SCWQP). In construction, tracking on schedule and on budget after 1 year of construction. Successful Tunnel Boring Machine (TBM) naming process. 2 TBMs will begin tunneling summer 2021.

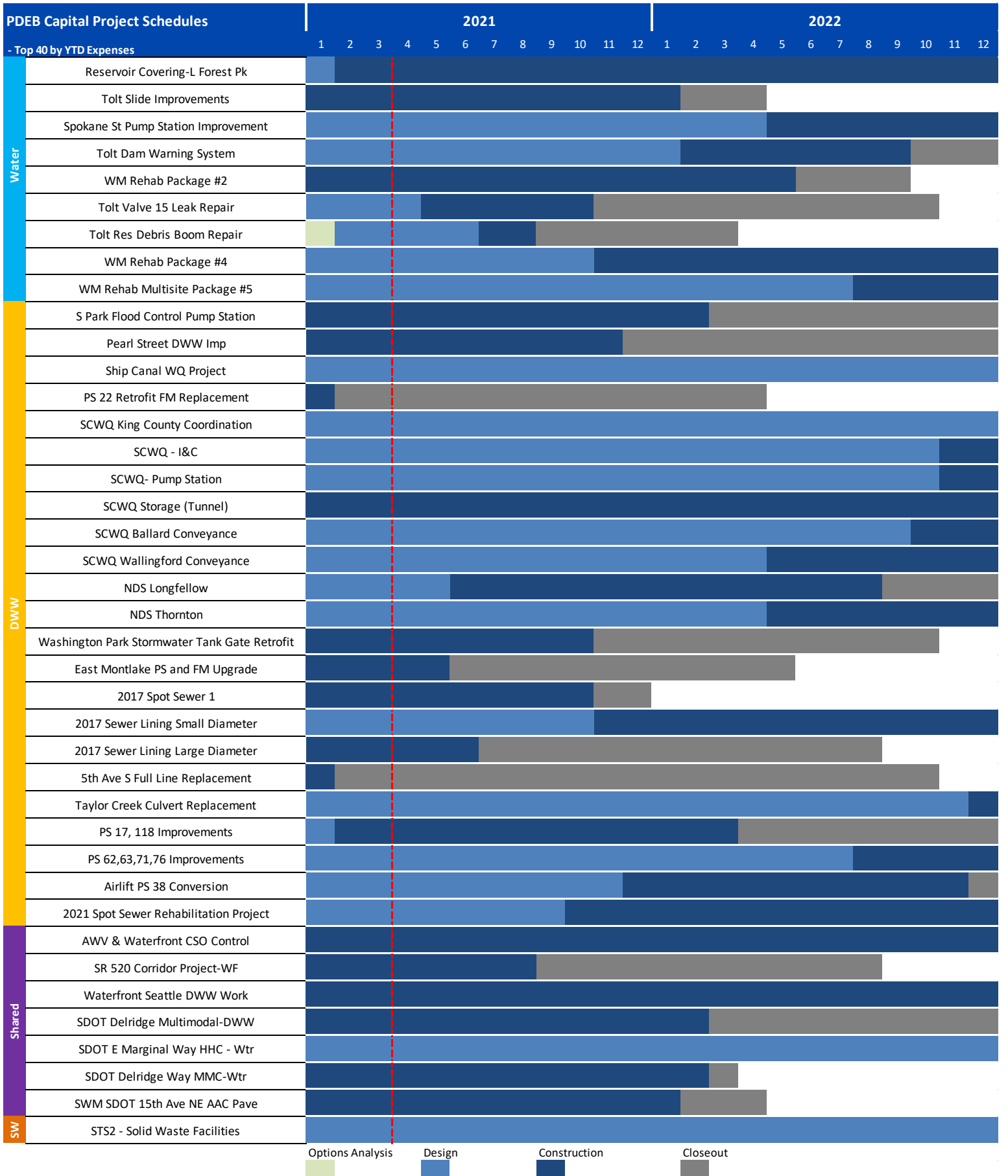
C399315 – Taylor Creek Culvert Replacement. Team is currently working on the 30% design of distributed sediment management structures in Dead Horse Canyon.

C600490 – Longfellow Creek Floodplain Reconnection. Funding agreement with SDOT has been finalized and consultant procurement is underway.

C312051 – Pearl Street DWW Improvements. The project is midway through construction and will be completed by the end of the year. SPU crews completed 80% of the Q1 target for drainage rehabilitation. At the end of Q1, crews had completed 20 of the 25 targeted work orders.

By the end of the Q1, SPU completed the review of the drainage program, and is preparing to present the review to Directors in Q2.

PDEB 2021 – 2022 Capital Project Schedule



Options Analysis Design Construction Closeout



Financial Performance Reporting

Financial performance reporting tracks the Utility's planned budget and consumption and revenue forecasts alongside operating and capital program expenditures, accomplishments, and received revenue for each utility fund – water, drainage and wastewater, and solid waste.

The SPU Finance Division and Accounting Division compare actual performance against the budget on a monthly and quarterly basis and update the Utility's financial projections accordingly in order to guarantee that the Utility stays within the approved and legislated budget. SPU also considers the accomplishment performance when developing longer-term financial projections that are included in the Strategic Business Plan and subsequent rate studies.

Over the next few years, SPU will work to supplement its financial performance reporting with a more robust affordability metric evaluation to guide policy work related to financial capability assessments for federal regulatory and consent decree requirements, federal funding advocacy initiatives, customer assistance programs, and utility rate setting. Current affordability metrics track customer delinquency, utility discount program enrollment, as well as emergency assistance program and payment plans usage. This is supplemented by Citywide statistics related to income, cost of living, income disparity, poverty indicators, and household self-sufficiency standards.

YTD Q1 2021 CIP Accomplishment Rate

The Q1 2021 CIP accomplishment rate for all funds was 86% with actual expenditures of \$51 million against a budgeted amount of \$59 million. Accomplishment was mixed by fund. Please note that the shared budget and technology budget are paid for using all funds at the Utility.

- The Water Fund (excluding shared and technology) accomplished 91% of the Q1 budget with \$6.8 million in actual expenditures against a budget of \$7.5 million.
- The Drainage and Wastewater Fund (excluding shared and technology) accomplished 77% of the Q1 Budget with \$27.2 million in actual expenditures against a budget of \$35.2 million.
- The Solid Waste Fund (excluding shared and technology) accomplished 1,144% of the Q1 budget with \$9.7 million in actual expenditures against a budget of \$843,500. Please note that the high accomplishment is due to costs that were planned for 2020 but paid in 2021.
- Shared CIP accomplished 30% of the Q1 budget with \$4.1 million in expenditures against a budget of \$13.8 million.
- Technology CIP accomplished 172% of the Q1 Budget with \$3.3 million in actual expenditures against a budget of \$1.9 million.

Water Fund Q1 2021 Financial Results

(\$ in millions)

	2021 Annual				2021 Through March			
	Annual Plan to Spend	Annual Spent to Date	Annual Remaining to Spend	% Annual Remaining to Spend	YTD Planned to Spend	YTD Spent	YTD Variance	% YTD Under Spend
Expenditures								
Operating	\$262	\$50	\$212	81%	\$55	\$50	\$5	9%
Capital	\$117	\$11	\$106	91%	\$13	\$11	\$2	15%
Total Expenditures	\$379	\$61	\$318	84%	\$68	\$61	\$7	10%
	Annual Planned Revenue	Annual Received to Date	Annual Remaining to Receive	% Annual Remaining to Receive	YTD Planned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
Operating Revenue								
Retail Customer Rev.	\$214	\$42	\$172	80%	\$43	\$42	\$1	2%
Wholesale Customer Rev.	\$52	\$10	\$42	81%	\$9	\$10	(\$1)	(11%)
Other Revenue	\$12	\$4	\$8	67%	\$3	\$4	(\$1)	(33%)
Total Operating Revenue	\$278	\$56	\$222	80%	\$55	\$56	(\$1)	(2%)

*Negative number means over-spend in the case of expenses, and over-recovery in the case of revenue.

Drainage and Wastewater Fund Q1 2021 Financial Results

(\$ in millions)

	2021 Annual				2021 Through March			
	Annual Plan to Spend	Annual Spent to Date	Annual Remaining to Spend	% Annual Remaining to Spend	YTD Planned to Spend	YTD Spent	YTD Variance	% YTD Under Spend
Expenditures								
Operating	\$466	\$93	\$373	80%	\$108	\$93	\$15	14%
Capital	\$278	\$30	\$248	89%	\$44	\$30	\$14	32%
Total	\$744	\$123	\$621	83%	\$152	\$123	\$29	19%
	Annual Planned Revenue	Annual Received to Date	Annual Remaining to Receive	% Annual Remaining to Receive	YTD Planned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
Operating Revenue								
Wastewater Revenue	\$315	\$71	\$244	77%	\$75	\$71	\$4	5%
Drainage Revenue	\$165	\$41	\$124	75%	\$41	\$41	\$0	1%
Other Revenue	\$6	\$2	\$4	67%	\$2	\$2	\$0	0%
Total	\$486	\$114	\$372	77%	\$118	\$114	\$4	4%

*Negative number means over-spend in the case of expenses, and over-recovery in the case of revenue.

Solid Waste Fund Q1 2021 Financial Results

(\$ in millions)

	2021 Annual				2021 Through March			
	Annual Plan to Spend	Annual Spent to Date	Annual Remaining to Spend	% Annual Remaining to Spend	YTD Planned to Spend	YTD Spent	YTD Variance	% YTD Under Spend
Expenditures								
Operating	\$217	\$39	\$178	82%	\$49	\$39	\$10	20%
Capital	\$25	\$10	\$15	60%	\$2	\$10	(\$8)	(400%)
Total	\$242	\$49	\$193	80%	\$51	\$49	\$2	4%
	Annual Planned Revenue	Annual Received to Date	Annual Remaining to Receive	% Annual Remaining to Receive	YTD Planned Revenue	YTD Received	YTD Variance	% YTD Revenue Under Recovery
Operating Revenue								
Residential	\$145	\$37	\$108	74%	\$36	\$37	(\$1)	(3%)
Commercial	\$58	\$14	\$44	76%	\$15	\$14	\$1	7%
Other Revenue	\$18	\$5	\$13	72%	\$4	\$5	(\$1)	0%
Total	\$221	\$56	\$165	75%	\$55	\$56	(\$1)	(2%)

*Negative number means over-spend in the case of expenses, and over-recovery in the case of revenue.